

## The Current Problems and Future of Health Care

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**peHP** Serving the Employees Who Serve Utah

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## What does the future hold?



- » What can you do now to be ready?
- » How will the problems change in the future?

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## Current problems with health care?

- » Costs
- » Complexity
- » Fragmented Care
- » Lack of Information

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## Where we're headed

- » How do providers plan to deal with these problems?
  - » Hospitals
  - » Doctors
  - » Rx
- » How will insurance remain relevant?
- » How will employers solve problems?
- » What about patients?

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# Healthcare costs?

» Is this a problem?

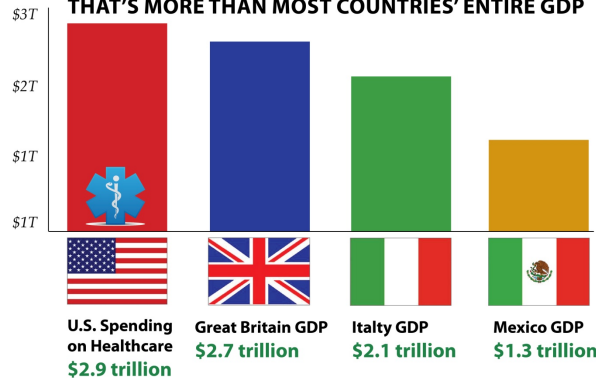
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## Why is it Important to Address Healthcare Costs?

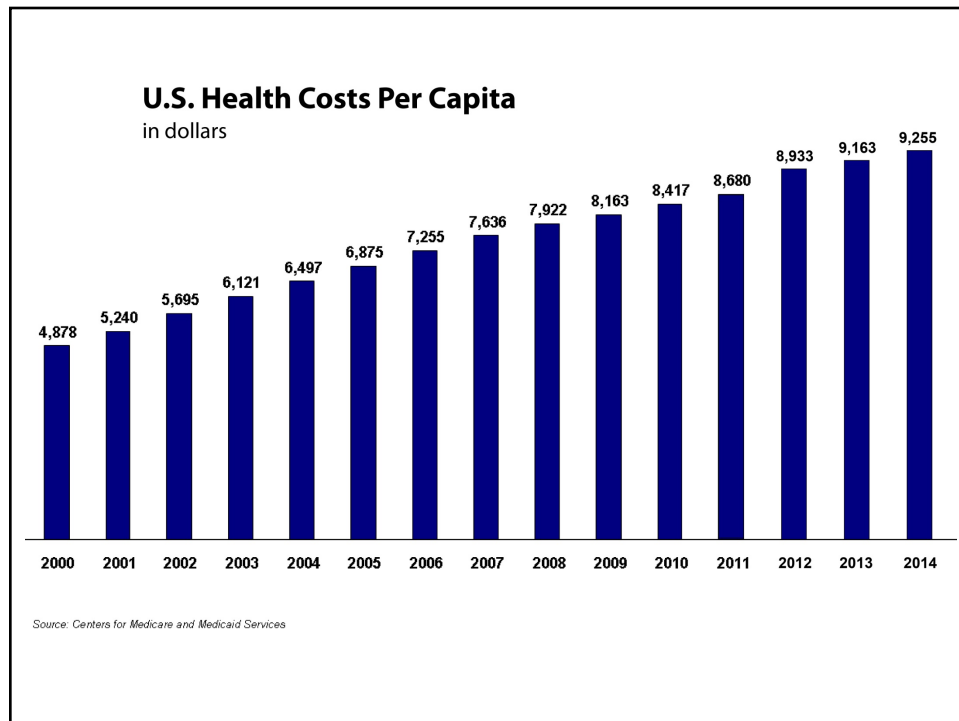
**{ \$2.9 trillion }**  
Total annual U.S. healthcare spending

THAT'S MORE THAN MOST COUNTRIES' ENTIRE GDP

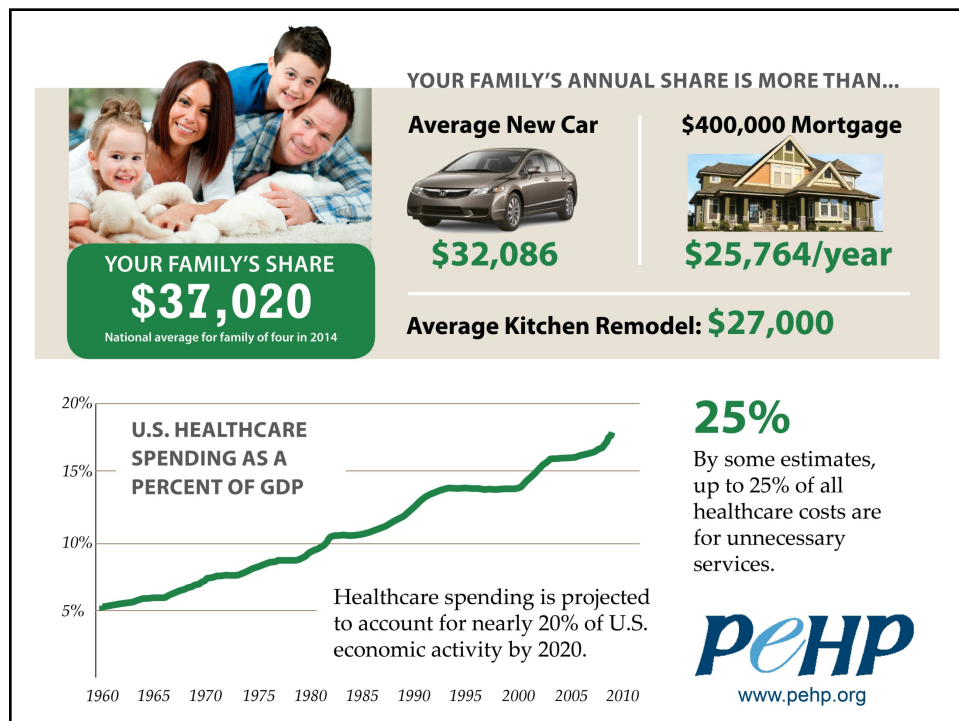


YOUR SHARE  
**\$9,255**

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## Complexity

» Is this a problem?

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## Complexity

- » Federal and State Law -
- » Insurance Lingo
- » Result – Patients Get Caught in Middle

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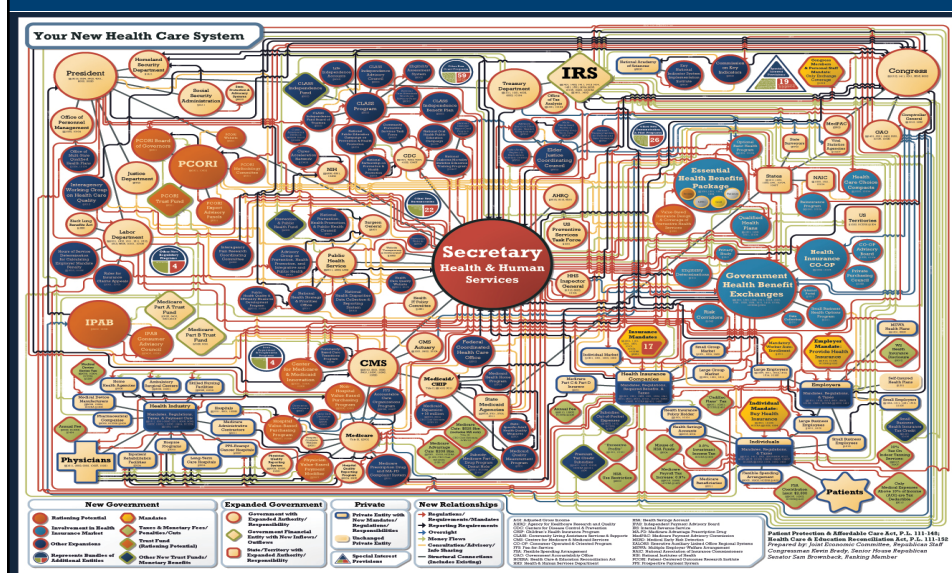
# Government Complexity

- » Federal – massive regulation – SSA/Medicare, ERISA, COBRA, HIPAA, ACA
- » State – DOPL, Insurance Department, Medicaid

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# ACA Simplified



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## ACA – Host of new insurance regulations

What's Happened pre-2014

- Children eligible on parents plan until age 26 regardless of marital status
- No lifetime or annual dollar limits on benefits
- **Preventative care covered at 100%**
- Patient protections ER, PCP, recissions
- No pre-existing conditions for children
- Expanded appeals for denied claims
- SBCs and PCORI fees
- Limits on flex plan amounts
- Notice regarding Marketplaces

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## Federal Marketplaces

- Marketplaces open – community rating (3 to 1 age bands) and guaranteed issue
- Subsidies available if lower income
- [www.healthcare.gov](http://www.healthcare.gov) – 2015 rates
- 35 year old - SL County Silver - \$202/\$635/month
- 55 year old – SL County Silver - \$376/\$983/month
- Reinsurance levels protect insurance companies in the first few years.

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## ACA Marketplace costs

**Nationwide – 2014 premiums increased 41%! in the individual market over 2013 individual rates. Regulation, rating, mandates**

**But there are winners and losers (more losers than winners):**

**Winners – women, older workers (55-65), living in the northeast (NY, NH, MA, OH)**

**Losers – Men, younger workers (18-30), those living in the south or west (NV, NC, AR, NM, GA)**

**Utah in 2014 - 24% increase overall; 27 year old gets 55% increase; 64 year old gets 2% increase) – 2015 saw increases in older populations more than younger**

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## King v. Burwell

Challenging phrase in ACA that subsidies for health insurance in marketplace can only be provided within an “exchange established by a state”.

Under the ACA the States could elect to set up their own exchanges or allow the federal government to set up an exchange for that state. About half the states set up their own exchanges. Utah did not.

If the Court sides with plaintiff – potentially invalidates subsidies in states that don’t have their own marketplace, like Utah.

This is easy to remedy in theory –

1. Congress could amend this provision.
2. Congress could extend subsidies in federal marketplaces for a short period of time.
3. States could allow an exchange run by the feds through contract. (but will they?)

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## Even without King v. Burwell - Dirty Secret of the ACA subsidies

The subsidies will not stay static over time. The IRS will increase the premium contributions for those individuals receiving subsidies annually to reflect the excess of the premium growth over the rate of income growth for 2014-18.

Beginning in 2019, the IRS may further adjust the premium contributions to reflect the excess of premium growth over CPI if the aggregate premiums and cost sharing subsidies exceed .54% of GDP. (in today's dollars = \$95 billion)

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## Future of marketplaces

Nationally – 11.7 million people have enrolled in a marketplace plan.

Federal subsidies for those individuals are expected to be in the neighborhood of \$35 billion for 2015

In Utah – 140,000+ people enrolled in marketplace plan – 4.8% of population of Utah (1 in 21 Utahns)

Federal government estimates the marketplace to rise to 30 million people over the next five years as penalties increase for individual mandate and small employers drop coverage.

Hypothetical exercise – 30m x average subsidy may be capped at of \$3,333 = \$100 billion (the average annual subsidy right now may be more than that – the next affordability crisis)

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## Federal Complexity

- » ACA Moving Target
  - Employer Penalties Delayed, but not Individual Mandate
    - 50 to 100
    - 75% Rule in 2015, 95% in 2016+
    - New reporting requirements for healthcare. (PEHP does reporting for groups) 1094-B or C and 1095-B or C

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## State Medicaid Expansion

ACA expands Medicaid to all non-Medicare eligible individuals under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% of FPL (except undocumented immigrants). All newly eligible adults will be guaranteed a benchmark benefit package that meets the essential health benefits available through the Marketplaces.

Feds to pay all the costs of expansion from 2014-16. 2017-20 – cost of Medicaid expansion is gradually shifted back to the states. Utah study found it would cost Utah \$100 million between 2017-2023.

The State has not made a final determination whether to expand Medicaid. Budget issues?

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## Medicaid Expansion Options

Options	1 year – 2014	3 years – 2014-16	10 years – 2014-23
No expansion (60,200 new enrollees)	\$7.2m	\$39.1m	\$220.6m
Expand (123,600 new enrollees)	(\$11.3m)	(\$9.7m)	\$378.4m
Partial Expansion	\$11.7m	\$95.9m	\$582.1m

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## Other State Complexity

- » ACA Adjustments to benefits – preventative care, “essential benefits”
- » State mandates – Autism for 2016
  - 2016 Large Group Benefit
    - Embedded, 600 hour max for behavior therapy
    - Small groups don’t have to do it

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## Complex Insurance Lingo

- » Plan design -
  - » deductible, OOP max, copay, coinsurance, allowed amount, pre-existing condition, coordination of benefits, network design
- » Internal rules
  - » pre-auth, exclusions and limitations in policies (lawyers), step therapy
  - » medical coding – ICD-10

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## Fragmented Care

- » Is this a problem?
- » Gone from the town doctor making house calls to current system
- » All things to all people, and nothing to any one individual

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## U.S. tries to be all things - complex

	Public hosp.	Priv. hosp.	Public docs	Priv docs	Priv. insur.	Indiv. mand.	Public insur.	Supp. Insur.	Rx price fix
U.S.	Yes (L)	Yes	Yes(L)	Yes	Yes	Yes	Yes	Yes	No
U.K.	Yes	Yes (L)	Yes	Yes(L)	Yes(L)	No	Yes	No	Yes
Fra.	Yes	No	Yes	No	No	No	Yes	Yes	Yes
Germ.	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes
Can.	No	Yes	No	Yes	No	No	No	No	Yes
Swiss	No	Yes	No	Yes	Yes	Yes	No	No	Yes
Taiw	No	Yes	No	Yes	No	No	Yes	Yes	Yes
China	Yes	No	Yes	No	No	No	Yes	Yes(L)	Yes
Cuba	Yes	No	Yes	No	No	No	Yes	No	Yes
Russia	No	Yes	No	Yes	Yes	No	Yes	Yes	No

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## Helplessness?

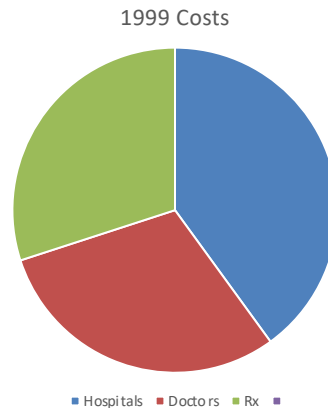
- » What can you do?
- » What can employer do?
- » What can providers do?
- » What can insurance do?
- » What can State government do?
- » What can federal government do?

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## Future?

- » How are Providers dealing with these problems?
- » 1999 -

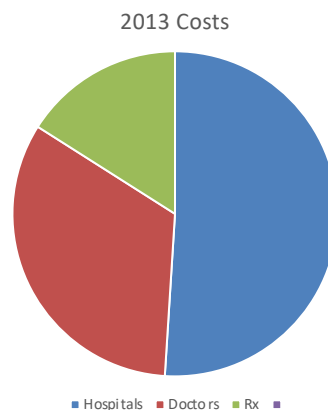


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## Future?

- » How are Providers dealing with these problems?
- » 2013 -



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## Hospital savings ideas

- » Reduce administrative costs – blur lines between silos
- » Accountable Care Organizations (ACOs) – change payment model toward capitated care
- » Use technology – electronic medical records
- » Reduce waste – no billing

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## Doctor future

- » Gobbled up by someone bigger – private practice owned by doc has decreased from 33% to 16% in last 15 years.
- » Shortage of providers?
- » Relevance of primary care? Nurse practitioners taking over
- » If health care costs can be contained, it must come from the doctors? Fight with hospitals and big Pharma.

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## Rx future

- » Rx trend for 2014 = 13%
  - » Specialty drugs – 1% of population, but 32% of costs. expected trend > 20%
  - » Generic drugs – 2014 saw unprecedented cost increases – Ex. Tetracycline (antibiotic used to treat infections) – Nov. 2013 = 3.4 cents per pill; Nov. 2014 = \$2.36 per pill – 6850% increase!
  - » Why? Consolidation, shortages of drug ingredients.
- » Huge costs – where will the money come from?

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## Private Insurance

- Relevance? Complaints against health insurance –
  - Profit motive – high salaries/bonuses for execs
  - Profit motive in denying legitimate claims/benefits are too low
  - Profit motive in looking at short term gains only, and not long-term solutions
  - Provide little value – middlemen that create administrative inefficiencies
- PPACA tried to address all of these issues

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## Insurance Reforms with PPACA

- Huge number of mandates regarding coverage
  - Results: coverage will expand both in numbers and in amounts covered. Example – new preventative care benefits covered at 100%. About 2% increase in costs (though some have said costs are less)
  - Ex – contraceptives prices – on average have seen 100% increase in prices during 2014 (high of 400%)
  - Costs of insurance will continue to rise due to both mandates and lack of cost controls
- Limited profit in fully insured markets – cap on administrative costs, and insurers are more likely to have strong competition in the exchanges

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## Insurance Profit Squeeze under PPACA

- Cost ratio requirements – 80% for small groups and 85% for large employers (100 employees or more) (80% includes medical costs and “activities that improve healthcare quality”)
- If plan falls below the threshold in a year, plan shall refund premiums to employee on a pro-rata basis
- Effect – Squeeze traditional insurance company profits, and may lead to consolidation of insurance companies
- Insurers are working hard on the regulators to change definition of what will be included in 80%

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## Benefit Design under PPACA

- In the exchanges, insurance companies are limited in the types of plans they offer
  - Limited to HDHP rules – capped deductibles and OOP maximums
  - Must offer the Essential Health Benefits – 10 categories of benefits – State selected the PEHP Utah Basic Plus plan.
- Cadillac Plan Tax is coming in 2018 – lots of carriers will have to pay the tax. If costs keep rising, it will apply to everyone eventually

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## Cadillac Tax

- 2018 – Cadillac Plan tax – 40% tax if premiums are over \$10,200 (\$850/month) single, or \$27,500 (\$2292/month) for family coverage.
- One study found that 60% of all large group plans may hit that mark by 2018, and another study found 98% of all plans will hit the cap by 2031.
- Even if you make it through 2018, these amounts are indexed to regular inflation, not medical inflation.

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## The left and right agree Cadillac Tax is bad!

- CalPERS – looked at just two of their 100s of plans. Determined that for their 8,000 enrollees in those two plans, the tax would be \$3.9 million or \$488 per enrollee. (Plan costs just went from \$2000 to \$2500 overnight.)
- Unions and public employee plans are at risk here.
- This could easily get some political traction to repeal this section, but everyone will want concessions for this.

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## Is healthcare a market?

- » People have argued that healthcare isn't really a market, but a human "right". We try and treat it like a market.
- » If not subject to market forces, then need price fixing. '
- » Key microeconomics assumption related to healthcare -

### Perfect Information

- Everybody knows everything. Information is costless.

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## To make it more a market

Patients need cost  
and quality  
information.

Patients need  
treatment information  
and options.

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## Private Insurance

- » Insurance shouldn't continue?
- » Unless . . . change model to advisor –  
information help
  - » Plan design
  - » Costs and quality
  - » Navigation if health system failing

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## Cost Conscious Plan Design

1. Reduce use of copayments
2. Increase use of coinsurance
3. Consider High-value HSA qualified plan

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## High Value HSA-Qualified Plan

- » HSA-Qualified
  - Deductible of \$1150/\$2300
  - Preventative at 100%
- » Three Concepts
  - Open and Fund Account
  - Deductible Kicks In
  - Out of Pocket Maximum
- » Employer Funds 80% or more

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## High Value HSA Plans....

Group	Annual Premium	Estimated Premium Savings by Adding STAR	Cost to Employer to Fund 80% of Deductible	Savings to the Group
Group 1	\$2,909,807	\$368,091	\$318,750	\$49,341
Group 2	\$9,344,586	\$1,753,484	\$1,357,000	\$396,484
Group 3	\$4,525,872	\$572,523	\$549,000	\$23,523
Group 4	\$3,410,402	\$639,952	\$513,000	\$126,952
Group 5	\$5,513,159	\$919,580	\$881,000	\$38,580
Total	\$25,703,827	\$4,253,629	\$3,618,750	\$634,879

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## PEHP Consumer Tools

### COST & QUALITY TOOLS



#### Cost Calculator

Compare costs among medical providers. Estimate out-of-pocket costs based on your specific plan and network.



#### Quality & Code Lookup

Look up doctors and see quality information. Get costs for services the cost calculator doesn't cover or look up by code.



#### Find a Medication

Find the best value for prescription drugs. See coverage and pricing for any covered medicine based on your benefits.



#### Cost-Saving Tips

Use tools and information here to get the best healthcare value and avoid unnecessary medical bills.

1. Cost Calculator (black box is opened!)
2. Quality & Code Lookup
3. Medication Pricing
4. Cost-Savings Tips

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# Cost Calculator

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TREATMENT COST CALCULATOR

HOME MY BENEFITS HELP SIGN OUT

Search estimates:  Go

**Browse by:**

- Health Topics
- Diseases & Conditions
- A-Z list of everything

**Treatment & service types:**

- Outpatient procedures
- Inpatient procedures
- Office visits
- Vaccines & immunizations
- Diagnostic tests & x-rays
- Lab tests

PEHP Pharmacy  
Find out how you can [save money on prescription drugs.](#)

Set your location to wherever you prefer to go for healthcare services, so we can estimate your cost for specific healthcare providers in your area.

Map

YOUR LOCATION  
Street address not specified  
Salt Lake City, UT 84102

Address Powered By Google

Change

How it works

Your Benefits Your Location Historical Costs

Treatment Cost Calculator

Estimate Costs Find Doctors Compare Doctors

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# Example: Cataract Repair

# Example: Cataract Repair

## Outpatient Facility

Your likely out-of-pocket cost is:

OUTPATIENT

\$2,239

Based on average costs for in-network healthcare providers in Utah

\$2,114

\$2,239

\$2,423

Low Likely High

## In Office

Your likely out-of-pocket cost is:

OUTPATIENT

\$429

Based on average costs for in-network healthcare providers in Utah

\$354

\$429

\$519

Low Likely High

	In-Network	Out-of-Network
<b>You Pay (estimate) Likely</b>	<b>\$2,239</b>	<b>\$5,197</b>
Deductible	\$1,813	\$2,813
Copayment	\$0	\$0
Coinsurance	\$426	\$453
Additional Out-of-Network Responsibility*		\$1,931
<b>PEHP Pays (estimate) Likely</b>	<b>\$1,706</b>	<b>\$679</b>
<b>Total Cost Estimate - Likely</b>	<b>\$3,946</b>	<b>\$5,877</b>
Primary Procedure	\$1,069	\$1,092
Other Procedures	\$0	\$0
Facility	\$2,877	\$4,285
Lab, X-ray, Anesthesia	\$0	\$0

	In-Network	Out-of-Network
<b>You Pay (estimate) Likely</b>	<b>\$429</b>	<b>\$877</b>
Deductible	\$429	\$429
Copayment	\$0	\$0
Coinsurance	\$0	\$0
Additional Out-of-Network Responsibility*		\$448
<b>PEHP Pays (estimate) Likely</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Cost Estimate - Likely</b>	<b>\$429</b>	<b>\$877</b>
Primary Procedure	\$429	\$877
Other Procedures	\$0	\$0
Facility	\$0	\$0
Lab, X-ray, Anesthesia	\$0	\$0

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**Final steps:** [View on a map](#) [Open as PDF](#) [E-mail PDF](#)

**Back x-ray**  
(in office)

**CHURCH, RYAN D**

Group Name: CORAL DESERT SPINE & SURGERY  
1490 E FOREMASTER DR  
STE 220  
ST GEORGE, UT 84790

Phone: (435) 656-8366

2.1 miles - [Map/Directions](#)

**ANDERSON, MICHAEL B**

Group Name: CENTRAL UTAH CLINIC ST GEORGE ORTHOPEDICS  
1490 E FOREMASTER DR  
STE 150  
ST GEORGE, UT 84790

Phone: (801) 375-8858

2.1 miles - [Map/Directions](#)

**HANSEN, STEPHEN M**

Group Name: EVERGREEN MEDICAL  
619 S BLUFF ST TWR 1 STE 400  
ST GEORGE, UT 84770

Phone: (801) 676-7627

Languages: FRENCH

6.2 miles - [Map/Directions](#)

Network	✓ In-network	✓ In-network	✓ In-network
Specialty	Surgery, Orthopedic	Surgery, Orthopedic	Surgery, Orthopedic
Accepts new patients	Accepting New Patients	Accepting New Patients	Accepting New Patients
Office Hours (Local time)	Information not available	Information not available	Information not available
Extended Office Hours	Business hours	Business hours	Business hours
▶ YOUR SHARE (Area range \$39 - \$64)	\$38	\$45	\$54
▶ EMPLOYER/PLAN SHARE (Area range \$0 - \$0)	\$0	\$0	\$0
▶ TOTAL COST (Area range \$39 - \$64)	\$38	\$45	\$54
▶ QUALITY & CREDENTIALS			
▶ ASSOCIATED PROVIDERS	0 Hospitals/clinics	0 Hospitals/clinics	0 Hospitals/clinics

**Final steps:** [View on a map](#) [Open as PDF](#) [E-mail PDF](#)

Add another physician to compare  
[Add a Provider](#)

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## Quality & Code Lookup

Code	Description	Fee at Office (total cost)
99213	Physician office visit. The amount of time with the physician is determined by a person's condition and treatment needs.	78.5
99396	Comprehensive, preventive medical assessment for an adult. This typically includes age- and gender-appropriate history, exam, counseling, education and necessary lab work.	135.44
99395	Comprehensive, preventive medical assessment for an adult. This typically includes age- and gender-appropriate history, exam, counseling, education and necessary lab work.	126.65
Q0091	Collection and preparation of a Pap test sample from the vagina or cervix. The sample is delivered to a laboratory for examination.	45.04
36415	Routine procedure for taking a blood sample from an artery or vein.	3.21
81002	A basic urinalysis checks pH and looks for substances such as blood, crystals, bile and white blood cells (antibodies). These may be viewed under a microscope or detected with dip sticks or colorizing tablets. A computer analysis may be done as well.	3.87
99212	Physician office visit. The amount of time with the physician is determined by a person's condition and treatment needs.	46.54
99214	Physician office visit. The amount of time the physician devotes is determined by a person's condition and treatment needs.	115.55
59025	The fetal non-stress test evaluates the health status of the fetus during the last six to nine months of pregnancy. Belts around the mother's abdomen measure fetal movement and heart rate.	64.47
85018	The hemoglobin count helps to evaluate the amount of iron in the blood. It can be done as part of a complete blood count (CBC). A low count can be an indicator of anemia.	3.58

Don't see the code you are looking for? Enter it in the textbox below.

[Problems finding your procedure or item?](#)

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# Measuring Quality

## Quality & Code Lookup

**Alta View Hospital**  
Hospitals  
9660 S 1300 E Sandy, UT 84094

[Performance Benchmarks](#)  
[Utah Hospital Comparison Report](#)

★★★★★ 6 Reviews

Overall rating: ★★★★★

1. Overall satisfaction. ★★★★★

2. Registration. Consider: Was your wait time reasonable? Was paperwork easy to understand and file? Did they give you information about costs? ★★★★★

3. Professionalism, knowledge, and attentiveness of the staff. ★★★★★

4. Communication. Consider: Did they adequately explain your condition? Did they discuss a clear understanding of what to do next? ★★★★★

Rx Best Practices

**AT BENCHMARK**

Patient Experience 2010 performance score: 70%

Score Avg 72%  
National Avg 68%

**N/A**

No reported data

Heart Attack 2010 performance score: No Data Reported

Score Avg 80%  
National Avg 80%

**BELOW BENCHMARK**

Heart Failure 2010 performance score: 85%

Score Avg 88%  
National Avg 88%

## Utah Hospital Comparison Report, 2011

UTAH DEPARTMENT OF HEALTH

Home | Hospital Quality | Average Hospital Charges | Resources

Report Quality Ratings by the State

**Hospital Quality Ratings**

Choose Hospitals

By ZIP Code | By Region

Please select one or more hospitals:

- ☐ Alta View Hospital
- ☐ American Fork Hospital
- ☐ Aradine Regional Medical Center
- ☐ Base Tower Valley Hospital
- ☐ Beaver Valley Hospital
- ☐ Blue Mountain Hospital
- ☐ Brigham City Community Hospital
- ☐ Cascade Valley Specialty Hospital
- ☐ Centerville Hospital
- ☐ ...

Choose Health Topic

Please select a health topic:

Select a Topic

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# Rate Providers

## Claims History

Service Date	Claim ID	Provider	Claim Survey
▶ 11/28/2012	<a href="#">121129105836</a>	Dr. Joe Smith	
▶ 11/28/2012	<a href="#">121129105831</a>	Dr. Jane Smith	<a href="#">Review</a>
▶ 09/22/2012	<a href="#">122792128.0074</a>	Local pharmacy	
▶ 07/11/2012	<a href="#">120723101431</a>	Dr. John Jones	
▶ 05/23/2012	<a href="#">120601104553</a>	Dr. Nancy Jones	
▶ 05/23/2012	<a href="#">120601104540</a>	Dr. Susan Baker	

- » Available on all EOB's on myPEHP
- » Rates medical and dental providers
- » Results to be shown in:

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# Quality & Code Lookup

**Brady, Margo Jones**  
Physical Therapy  
5151 S 900 E Ste 100  
No reviews

**Farley-Jones, Dianne**  
Family Practice  
1175 E 3200 N Lehi, U  
No reviews

**Jones, Alan C**  
Ear, Nose & Throat  
1959 N Aaron Dr Ste F  
No reviews

**Jones, Alicia**  
Obstetrics And Gynec  
9600 S 4200 E Ste 301  
★★★★★ 1 Review

**Jones, Catherine**  
Nurse Midwives  
5495 S 500 E Ste 310  
No reviews

**Jones, Christopher**  
Internal Medicine  
5770 S 250 E Ste 335  
★★★★★ 2 Reviews

**Overall rating:** ★★★★★

1. Rate your overall satisfaction with your visit.  
★★★★★

2. From the time of your scheduled appointment, how long did you wait to be seen by a doctor?  
★★★★★

3. Rate your doctor's understanding of your condition and the quality of care you received.  
★★★★★

4. Rate your doctor's engagement and personal involvement. Consider: Did he/she answer your questions? Did he/she present options? Where you involved and engaged in your own care?  
★★★★★

5. Rate your doctor and his/her staff's explanation of costs. For example, did they help you get the best value by helping you verify if any other providers, labs, or equipment are in your network?  
★★★★★

6. Rate the service provided by the doctor's staff.  
★★★★★

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HOME PRESCRIPTIONS & BENEFITS RESOURCE CENTER

Go to: [Prescriptions](#) ▶ [My Rx Choices](#)

**My Rx Choices®**

Have a question? Need help? [learn more >>](#)

Choose alternatives for your doctor to consider and click the "continue" button to go to the next step.

For your convenience, **we've preselected** the lowest-cost medication alternatives available at this time. There may be multiple lower-cost alternatives.

- To review other alternatives, which could have the same or similar pricing, click the "view other alternatives" link for each medication.
- To remain on your current medication, select the radio button to the left of the medication name.
- Learn about our [Extended Payment Program](#), which lets you pay for medications in 3 monthly installments. [Calculate your estimated monthly payments.](#)

If you received a letter from us regarding potential savings using **My Rx Choices**, the savings may be different from what is displayed below because **My Rx Choices** uses the most current pricing based on your plan.

Please note, your plan has an out-of-pocket maximum. The "You pay" amounts shown below, for both the per fill and per year costs, are based upon what you would pay for the medication today. Once you have satisfied your out-of-pocket maximum, the "You pay" amounts will change.

scroll to continue

Medication	You pay	Lower-cost choice	You pay	YOU SAVE
<p> <b>LIPITOR</b> 20mg Tablet (brand) Dosage: 1 Tablet, once a day</p> <p>Pharmacy: Retail • <b>Coverage rules may apply.</b> • <a href="#">Get different results with different days' supply and quantity</a> • <a href="#">How is my cost determined?</a></p>	<p>\$2,245.44 per year</p> <p>\$187.12** for 30 days</p>	<p> <b>pravastatin sodium</b> 40 MG Tablet (generic alternative) Dosage: 2 Tablets, once a day</p> <p><b>BEST BUY DRUGS</b> <a href="#">view report &gt;</a></p> <p>Pharmacy: <b>Mail order</b> • <b>Coverage rules may apply.</b> • <a href="#">Compare drug information</a> • <a href="#">How is my cost determined?</a></p>	<p><b>\$40.00</b> per year</p> <p><b>\$10.00</b> for 90 days</p>	<p><b>\$2,205.44</b> per year</p> <p><a href="#">Explain my savings</a></p> <p><a href="#">View other alternatives, including mail service</a></p>
<b>Savings per year:</b>				<b>\$2,205.44</b>

<< previous

Your choices could save you **\$2,205.44** out of a possible **\$2,205.44** once your doctor approves. When you click the "continue" button, your choices will also be checked for possible drug interactions.

continue

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**Advantage or Summit?** With the Advantage network you get care at hospitals and generally pay similar prices from one to another. With the Summit network, some services are available only at hospitals, while others are also available at surgical or imaging centers with prices varying from one facility to the next.

#### Examples of Network Pricing Estimates

##### ADVANTAGE

Price estimates for Intermountain Healthcare hospitals

Procedure	Doctor's Office	Surgery/Imaging Center	Hospital
Hysteroscopy	\$424	Not Available	\$2,342-2,541
Endometrial Ablation	\$1,435	Not Available	\$7,498
Colonoscopy	\$560	Not Available	\$1,085-1,898
Knee Arthroscopy	Not Available	Not Available	\$4,045-4,979
MRI of Head	Not Available	Not Available	\$1,763
Maternity — delivery	Not Available	Not Available	\$5,588-5,788
Knee Replacement	Not Available	Not Available	\$33,669-35,067

##### SUMMIT

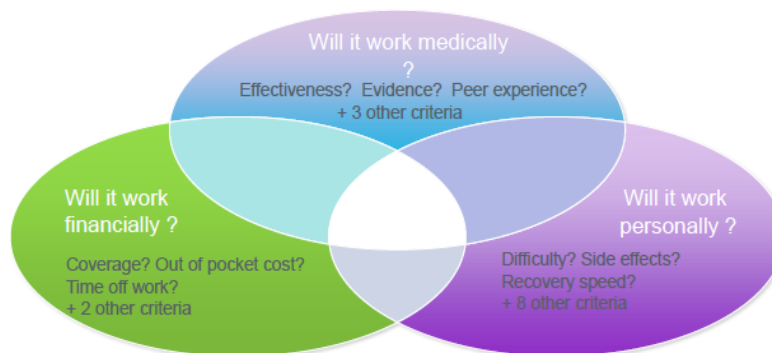
Price ranges for IASIS, MountainStar, University of Utah, surgical centers, imaging centers

Procedure	Doctor's Office	Surgery/Imaging Center	Hospital
Hysteroscopy	\$424	\$713-1,050	\$2,304-3,304
Endometrial Ablation	\$1,435	\$1,701-2,701	\$6,728-8,417
Colonoscopy	\$560	\$620-1,053	\$1,405-3,023
Knee Arthroscopy	Not Available	\$851-1,489	\$5,439-9,186
MRI of Head	Not Available	\$690	\$1,469-4,379
Maternity — delivery	Not Available	Not Available	\$6,287-9,489
Knee Replacement	Not Available	Not Available	\$24,694-40,500

**Time to Reconsider The STAR Plan?** HSA-qualified plans are even more powerful now that pricing is available. Go to [www.uche.org](http://www.uche.org)

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## WiserTogether Helping People Make Better Health Care Decisions



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Over 70% of U.S. Internet users have gone online to research health-related information. And this is regardless of age – 73% of those over 50 seek health information online. The result, largely via search engines (Google, WebMD, etc.), is an enormous amount of information that is not evaluated or matched to the specific needs of the person searching – his or her preferences or coverage, nor is it ranked or assessed for effectiveness and cost. It is just a pile of data that people unload on their doctor who has to explain and/or correct the interpretation.

**EXAMPLE:** Search for back pain and you will find at least two dozen treatment options, ranging from spinal surgery to heating pads to yoga to a chiropractor. *Which is best for my condition? Which has the best outcome? Which has the fewest side effects? Which matches my preferences? How long do they take? What will each one cost me? Which are covered by my plan?*

Each wrong treatment decision costs money – on average, \$235 per treatment decision. Now, multiply that by the number of members in a client health plan. That's a lot of people who didn't get better and a lot of money spent for treatments that didn't work.

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# Cost-Saving Tips



**myPEHP** → See your **BENEFITS** and **CLAIM HISTORY**, download **FORMS**, and **ENROLL** online.

Welcome: Test User

**YOUR BENEFITS**

- Benefit Information Library
- See Your Claims
- See Your Coverage

**COST & QUALITY TOOLS**

- Cost Calculator *New!*
- Quality & Code Lookup *New!*
- Price a Medication
- Cost-Saving Tips** *New!*

**PHARMACY AND FLEX\$**

- Pharmacy Benefits
- Check Your FLEX\$ Balance

**ENROLLMENT**

- Online Enrollment
- CHIE Enrollment

**PROFILE**

- Change Address
- Change Password

**Cost-Saving Tips**

How to get the best healthcare value

PEHP plans provide excellent, easy-to-use benefits. But to get the most from your plan, you have to be informed and proactive.

Use the tools and information here to get the best healthcare value and avoid unnecessary medical bills. Check here frequently for new tips on how to be a wise healthcare consumer.

How to Use PEHP Cost & Quality Tools

**COST & QUALITY TOOLS**

Download File

**Save Money on Urgent and Emergency Care**

When you need after-hours care for a condition that isn't life-threatening or severe, see how much money you could save by choosing an urgent care center instead of the ER.


Download File

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# Urgent Care Before ER

## Sample Average Allowed Amounts\*

	ER	<u>Urgent Care</u>
Blood Diseases	\$1,620	\$106
Burns	\$752	\$119
Circulatory Issues	\$2,737	\$133
Digestive Issues	\$2,564	\$132
Infections	\$1,151	\$116
Injuries, Poisonings	\$1,396	\$119
Respiratory Issues	\$1,576	\$128



**\$1,396 OR \$119? IT'S YOUR CHOICE**

A broken arm doesn't have to break the bank. It's Saturday afternoon. The kids are playing in the backyard. One falls and breaks his arm. Where you choose to take him for treatment could save you a bundle.

	Your Doctor (Primary Care)	Urgent Care Center	Emergency Room
<b>When to Go</b>	For most non-urgent conditions when you can be seen during usual business hours.	When you need immediate medical attention, but your doctor isn't available. <b>EXAMPLES:</b> • Cold/flu symptoms after hours • Broken bones • Minor cuts and burns	For emergencies in which your life may be in danger or you're suffering severe symptoms. <b>EXAMPLES:</b> • Heart attack or stroke • Injury with severe bleeding • Drug overdose
<b>Your Cost</b>	Lowest Generally \$25-\$100	Low Generally \$25-\$150	High \$150-\$2,000 or more
<b>Availability</b>	Usual business hours	Seven days a week, often with extended hours	24/7

**peHP** Serving the Employees Who Serve Utah

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# Office vs. Facility



ASK YOUR DOCTOR:

**“Can this procedure be performed IN-OFFICE?”**

This simple question could save you a bundle. Some outpatient services are available at both the doctor's office and at a facility, such as a hospital. For such services, costs at a doctor's office average \$430, while costs at a facility average \$1,500\*.

Learn more ways to be a wise healthcare consumer:  
[www.pchp.org/yourmoney](http://www.pchp.org/yourmoney)

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Welcome, Joe Tester

## Your Health Snapshot

February 26, 2014

**Your Health Risk Score**

**123** Your score is based on your age, biometrics, and Claims History. [Learn more](#)

0 76 226 700+

Low Risk Moderate Risk High Risk Critical

Your score puts you in the **MODERATE RISK** category.

### Your Biometrics

Metric	Your Result	Your Risk Level	Guidelines
Height	57		
Weight	90		
Body Mass Index	93	High	Guidelines
Waist Circumference	96	Low	Guidelines
Body Fat Percent	99	Medium	Guidelines
Blood Pressure Systolic	111	High	Guidelines
Blood Pressure Diastolic	114	Low	Guidelines
Cholesterol Total	102	High	Guidelines
Cholesterol HDL	105	Low	Guidelines
Cholesterol LDL	108	Medium	Guidelines
Triglycerides	118	Medium	Guidelines
Blood Glucose	118	Low	Guidelines

[Your Biometrics History](#)

### Your Costliest Medical Claims

3/3/2013 - 3/2/2014	Date	Your Cost	Plan Cost
MRI	10/2/13	\$1,302	\$2,198
Tonsillectomy	10/15/13	\$518	\$5,519

### Your Costliest Pharmacy Claims

3/3/2013 - 3/2/2014	Date	Your Cost	Plan Cost
There are no pharmacy claims for period 3/3/2013 - 3/2/2014.			

### Your Preventive Services

Recent Services	Date
Eye Exam	09/08/13
Lipid Panel	12/29/13

[Preventive Screening Recommendations](#)  
[Immunization Guidelines](#)

**YOUR BENEFITS**

- Benefit Information Library
- See Your Claims
- See Your Coverage
- Your Health Snapshot
- Out-of-Pocket Max Credits/Co-pays

**COST & QUALITY TOOLS**

- Cost Calculator **New!**
- Quality & Code Lookup **New!**
- Price a Medication
- Cost-Saving Tips **New!**
- Plan Comparison Tool
- Find a Provider
- Nominate a Doctor

**PHARMACY AND FLEX\$**

- Pharmacy Benefits
- Check Your FLEX\$ Balance

**HEALTH SAVINGS ACCOUNT**

- HSA Elections
- Access Your HSA

**ENROLLMENT**

- Online Enrollment
- CHIE Enrollment
- WeeCare Enrollment

**PROFILE**

- Details
- Change Address
- Notification Options

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## Cost Takeaways

1. Cost Conscious Plan -
2. High Value HSA-qualified Plan
3. Get Cost and Treatment Information to Employees

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## Reduce Complexity

- » Horror stories – anybody have one?
- » Keep eye on ACA – can't predict what will happen with government

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## Getting Caught in Middle

- » Physician Orders or Refers Services
  - › Failure to Get Preauthorization--\$9500 Genetic Test
  - › Failure to Send In-Network--\$21,000 Out-of-state
  - › Failure to Comply with Policy--\$650 Anesthesia
- » No Understand or Regard for Cost
  - › Prescription Drugs--\$1877 Brand Drug
- » Refusal to Contract—\$2300 Hand Surgeon
- » Patient/Provider Miscommunication—Preventative

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## PEHP Member Advocacy

- » Education - Questions are the Answers
  - » Does this require pre-authorization?
  - » Is this provider in-network?
  - » Is there a less expensive alternative?
- » Educate & Interact with Providers
- » Outreach to Proactively Resolve Problems
- » Direct Payment to Out of Network Providers
- » Personal Benefit Advisor for Complex Condition

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## Cost tool examples for common referred services.

**Know Where to Go »** Doctors will often refer you elsewhere to get lab work or imaging, such as X-rays or CT scans. By using the Cost & Quality Tools and asking the right questions, this can be an excellent opportunity for you to get the most from your benefits. The tools show that **most services are less expensive when they can be performed outside the hospital.**

### Prices for Commonly Referred Services

#### LABORATORY

Lab	Doctor	Lab	Hospital
Complete Blood Test	\$7	\$5	\$13-47
Metabolic Panel	\$12	\$11	\$25-85
Lipid Test	\$19	\$7	\$48-53
Obstetric Panel	\$58	\$27	\$138

#### IMAGING

Procedure	Doctor	Imaging Center	Hospital
Ankle X-Ray	\$42	\$42	\$139-274
Ultrasound of Abdomen	\$169	\$169	\$411-576
CT Scan of Head	Not Available	\$203	\$582-1,236
MRI of Head	Not Available	\$690	\$1,469-\$4,379

**Questions Are the Answer »** Never be shy about asking your doctor questions about costs. Ask now to avoid sticker shock later.

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## Three Takeaways to Reduce Complexity

1. Keep Your Eye on the ACA—Employer Shifts
2. Push the Three Questions
  1. Does this require pre-auth?
  2. Am I in-network?
  3. What is a cheaper alternative?
3. See Ratings Using Provider Look up and use the Treatment Tool

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## Insurance response to Fragmented Healthcare

- » Member Condition is Out-of-Control
- » Member is Perplexed and Not Improving
- » Member is Facing Serious Illness

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## Member-centered Healthcare

- » Personalized Care Coordination
  - Connect to Care Coordination Provider
  - Align financial incentives
- » Referral Coordination
  - Help Find Specialized Care
- » Individual Benefits Advisor
  - Single Point of Contact

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## Employer future

- » ACA employer mandate/penalties
  - » Delay
  - » Large v. Small employers
  - » New reporting requirements –
  - » Self-fund, self-fund, self-fund!!

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## Self-funding: Impact Bottom Line

- » If Self-funded - Your Efforts Still Matter
  - Reduce Costs
  - Improve Health
  - Engage Employees
- » Creating a Self-Funded Culture
  - Preserve the Benefit
  - Price and Quality Matter
  - Wellness Program – ultimate premium differential

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## Employer Clinics

- » Everyone wants a piece of the healthcare business
- » Lower level of care and profits stay with employer – size matters
- » Encourage primary care and reduce hospitalization

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## Patient changes

- » Shop for care – education process
- » Marketed to – drugs are tip of iceberg
- » Increased responsibility for own health

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## Government wildcard!

- Will Obamacare be perceived to have “worked?” – costs come down?
- Next step - One-payer system? –
  - insurance profits will be capped
  - Insurers’ cost-control options will be limited due to mandated benefits to be offered
  - Easy to see how this would lead to a one-payer system
- Unless – shop for care

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## Are you positive?



- » Death and taxes are for certain
- » If costs can't be contained, more changes will come
- » Depends on all of us

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## Questions?

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